

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

City Carrier Street Time Costs

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Docket No. RM2015-7

Comment of the Direct Marketing Association

March 11, 2015

The Direct Marketing Association (DMA) is pleased that the Postal Regulatory Commission (Commission) has opened this docket. Carrier Street Time is a significant expenditure for the United States Postal Service (USPS), almost \$16 billion in FY 2013. But it represents more than just costs. Delivery to American homes, of which Carrier Street Time is the largest component, is the crown jewel of USPS. Reaching every household and business six days per week is a “delivery” economy of scope unmatched in the United States.

USPS product offerings and pricing rely upon its delivery network. No matter how much a mailer presorts, drop ships, reduces weight, or changes the shape of mail pieces, it must be delivered. USPS has offered its delivery system to other package delivery companies, United Parcel Service Sure Post or FedEx Smart Post, through contracts. The last mile of delivery is a valuable asset for USPS and for DMA’s members.

It is important that the Commission, USPS, private delivery companies, mailers and the American public understand how to value this asset. In this Information Age the mix of mail is constantly changing. Mailers use of the mail is changing, and USPS product offerings are changing. We must understand the cost drivers of Carrier Street Time so that USPS and the Commission can preserve daily mail delivery with intelligent pricing.

Respectfully submitted,



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